



# COMMISSION NEWS

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ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

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TO: EDITORS, NEWS DIRECTORS  
FOR: IMMEDIATE RELEASE

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## **SCOTTSDALE CHIROPRACTOR PINCHES NERVE OF INVESTORS** **Ordered to Cease and Desist from Selling Securities**

PHOENIX – Scottsdale chiropractor, Richard James Jones, 53, consented to an Arizona Corporation Commission Order to cease and desist from sales of investments without admitting or denying the allegations. According to the order approved by the Commission, between 1997 and 1998, Jones offered his patients the opportunity to invest in two different investment programs. The first program was an oil and gas investment with Petroleum Resources L.L.C. The Securities Division alleges that Jones illegally offered and sold the program to at least seven people, raising at least \$610,000.

According to the order issued by the Commission, Jones told his patients that he had invested in the Petroleum Resources L.L.C. program and had already received a return on his investment. Jones never invested in Petroleum Resources. Once a patient expressed an interest in the program, Jones introduced the person to William McRae, operator of the program, who took the investor's money. Jones also failed to inform his patients that the Securities Division had filed a civil action against McRae for the fraudulent offer and sale of oil and gas interests in 1995. McRae consented and agreed to pay restitution of over \$2 million. The restitution has not been paid.

The second investment program involved the offer and sale of interests in Dannel Finance Company, a company operated by Benjamin Franklin Cook. Dannel Finance offered high yield investment programs or "prime bank" instrument programs. Prime bank programs do not exist. Jones sponsored at least 12 investors, who invested at least \$1,011,000. The Securities Division alleges that Jones received commissions by sponsoring investors in Dannel Finance. Jones is not registered as a securities salesperson as required by law. The investments in Petroleum Resources and Dannel Finance were not registered as securities either.

Richard James Jones consented to the Commission's order to cease and desist from the sale of unregistered securities and from fraud in the form of misrepresentations and omissions. The Commission ordered him to pay full restitution totaling \$1,500 and an administrative penalty of \$5,000.

Mark Sendrow, Director of the Arizona Corporation Commission Securities Division, reminds the public to be cautious about accepting recommendations to purchase securities from just anyone. "Check out any investment proposal before investing. The Securities Division can confirm the registration of a securities salesperson and tell you whether the individual has been the subject of any sanctions."

For more information, contact the Securities Division at (602) 542-4242, toll free at 1-877-811-3878, or on the web at [www.ccsd.cc.state.az.us](http://www.ccsd.cc.state.az.us).

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